

**MINUTES
STATE BOARD OF FINANCE
DECEMBER 15, 2009
OFFICE OF THE OMB
STATE HOUSE ROOM 212**

IN ATTENDANCE

Jay Collins, State Budget
Tim Berry, State Auditor
Richard Mourdock, State Treasurer
Melissa Ambre, DOE

Kirke Willing, Auditor's Office
Michele House, Auditor's Office
Jim Holden, Treasurer's Office
Chris Ruhl, State Budget Director

CALL TO ORDER

APPROVAL OF MINUTES

Auditor Berry moved to approve the minutes from the November 17, 2009 meeting. Treasurer Mourdock seconded and the minutes were unanimously approved.

INDIANAPOLIS DESEGREGATION DISTRIBUTIONS

Auditor Berry made a motion to approve the Department of Education's request for the Desegregation distributions to the following Indianapolis School Corporations effective January 4, 2010. Treasurer Mourdock seconded and the distributions were unanimously approved.

The January quarterly installment for desegregation represents one-fourth of the estimated expenses for 2009-2010 and totals \$7,829,073.32. These claims were submitted by seven public school corporations under the Order. Transfer tuition comprises \$4,740,508.91. The residual \$3,088,564.41 is transportation, other desegregation costs and transition support. (See Attachment)

HOWARD COUNTY

State Budget Agency asked the Board to approve a loan from the Rainy Day Fund to each of the Borrowers in the following amounts, which do not exceed the amount of the delinquent taxes owed by the qualifying taxpayer under the Act (the current amount of which is set forth on Exhibit A of this Resolution): \$1,450,000 for Kokomo Center School Corporation and \$1,700,000 for Northwest School Corporation. These loans shall be made at an interest rate of 2% percent and a term of 60 months. Such a loan shall be made to a Borrower upon the request of such Borrower, and the State Budget Agency shall report the amount of each loan to the Board. (See Attachment)

After discussion Chris Ruhl made a motion to pass the resolution and Jim Holden on behalf of Treasurer Mourdock seconded. Auditor Berry voted against the resolution. The resolution passed 2-1 and will be effect immediately upon review of loan by Budget Committee on December 15, 2009.

FUTURE MEETING

The next meeting of the State Board of Finance will be held on January 19, 2010 at 9 a.m.

ADJOURNMENT

Office of School Financial Management
November 24, 2009

CORP #	CORPORATION	TRANSFER	REGULAR	EXTRA-	OTHER	TRANSITION	TOTAL
		TUITION	TRANSPORTATION	CURRICULAR	TRANSPORTATION	DESEGREGATION COSTS	
5300	MSD Decatur Twp.	461,553.28	133,053.64	1,092.60	336,304.62	0.00	932,004.14
5310	Franklin Township	350,782.33	131,573.78	0.00	245,453.44	0.00	727,809.55
5330	MSD Lawrence Twp.	297,197.48	13,779.75	0.00	101,524.36	0.00	412,501.59
5340	MSD Perry Twp.	1,220,831.94	421,012.76	0.00	592,745.25	0.00	2,234,589.95
5360	MSD Warren Twp.	829,621.51	51,587.60	0.00	192,736.75	0.00	1,073,945.86
5375	MSD Wayne Twp.	1,580,522.37	197,048.94	0.00	368,525.92	0.00	2,146,097.23
5385	Indianapolis Public Schools	0.00	0.00	0.00	0.00	302,125.00	302,125.00
TOTAL DISTRIBUTION		4,740,508.91	948,056.47	1,092.60	1,837,290.34	302,125.00	7,829,073.32
Recovery from Indianapolis Public Schools							3,792,076.80
Net State Costs							4,036,996.52

**RESOLUTION OF THE
STATE BOARD OF FINANCE**

WHEREAS, Indiana Code 6-1.1-21.3 as added by Section 156 of HEA-1001ss (2009) (the "Act") authorizes the State of Indiana (the "State") to make a loan under certain conditions to any "qualified taxing unit" as that term is defined in Indiana Code 6.1.1-21.3-1; and

WHEREAS, each of the Kokomo Center School Corporation and Northwest School Corporation (collectively, the "Borrowers"), will experience a shortfall in 2009 property tax revenues as a result of the bankruptcy proceedings instituted by Old Carco LLC (formerly Chrysler, LLC), which is a "qualifying taxpayer" under the Act;

WHEREAS, each of the Borrowers is a "qualified taxing unit," as defined in Indiana Code 6-1.1-21.3-1(b); and

WHEREAS, the Borrowers may request from the State a loan from the Counter-Cyclical Revenue and Economic Stabilization Fund established pursuant to Indiana Code 4-10-18 (the "Rainy Day Fund"); and

WHEREAS, each of the Borrowers meets the requirements for a loan set forth under the Act; and

WHEREAS, this State Board of Finance (the "Board") desires to approve a loan from the Rainy Day Fund for each of the Borrowers.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF FINANCE that:

1. Pursuant to the Act, the Board hereby approves a loan from the Rainy Day Fund to each of the Borrowers in the following amounts, which do not exceed the amount of the delinquent taxes owed by the qualifying taxpayer under the Act (the current amount of which is set forth on Exhibit A of this Resolution): \$1,450,000 for Kokomo Center School Corporation and \$1,700,000 for Northwest School Corporation. These loans shall be made at an interest rate of 2% percent and a term of 60 months. Such a loan shall be made to a Borrower upon the request of such Borrower, and the State Budget Agency shall report the amount of each loan to the Board.

2. The Board hereby authorizes the Governor of the State or his designee to execute and deliver, and any other officer of the State or its designee to attest to the execution and delivery, of a Loan Agreement with respect to each loan made pursuant to this Resolution, in substantially the form presented at this meeting with such changes as such individuals may deem necessary or advisable. The Governor, any other officer of the State, and representatives of the Office of Management and Budget and the State Budget Agency are authorized and directed to take any action and execute any documents, agreements and certificates as deemed necessary and desirable to effectuate the foregoing resolutions, and any such actions, documents, agreements and certificates heretofore taken or executed are hereby ratified and approved.

3. This Resolution shall be in full force and effect immediately upon review of the loan by the Budget Committee on the afternoon of December 15th, 2009.

Exhibit A

<u>Qualified Taxing Unit</u>	<u>Amount</u>
Kokomo Center School Corporation	1,848,710
Northwest School Corporation	1,703,647